

South Carolina Public Employee Benefit Authority

Strategic Plan: 2013-2014

[As approved by the PEBA Board on 8.21.2013]

[Technical Change on 10.16.13 by Board]

PART I – BASIC PRINCIPLES

Mission/Vision Statement

The mission of the South Carolina Public Employee Benefit Authority is to offer and administer a comprehensive program of retirement and insurance benefits for public employees in South Carolina. In establishing or recommending the design of benefits to be offered, the Public Employee Benefit Authority seeks to provide the retirement and insurance components of an overall compensation package for public employees that will allow South Carolina governmental employers to compete, on a cost-effective basis, for the excellent employees needed to provide high-quality government services to the citizens of the State of South Carolina. In administering these benefits, the Public Employee Benefit Authority seeks to effectively and efficiently operate sustainable retirement and insurance plans in accordance with the terms of those plans and its fiduciary duties to the beneficiaries of those plans.

Core Values

- **Quality Customer Services and Products** – We consistently provide outstanding products and excellent customer services, as defined by our customers, and we strive for continuous improvement. Our interaction with customers is fair, fast, simple, and comprehensible.
- **Innovation** – We are receptive to and flexible with the changing environment and the evolving world of technology. We welcome challenges, embrace innovation, and encourage creativity.
- **Professionalism** – We perform our work with honesty, integrity, and loyalty. We are committed to performance that is credible, thorough, competent, and worthy of customer confidence.
- **Strong Workforce** – We are committed to having a strong workforce, with our employees placed in the right positions, well-trained, and motivated to consistently achieve high performance.

Strategic Objectives

At the broadest level, PEBA's strategic objectives are to:

- Create an organization driven by the pursuit of excellence in all areas.

- Design and implement an updated health care plan that focuses on improving health outcomes and reducing costs.
- Provide for the efficient and cost effective administration of the retirement systems for active and retired members of the systems.
- Ensure the highest fiduciary, legal and ethical standards are known and applied across the organization.

Expected Results

PEBA expects that, by pursuing the goals and objectives set out in this and future strategic plans, it will achieve the following results:

- Satisfied members, beneficiaries and stakeholders
- Engaged employees
- Improved fiscal and financial positions of the plans and programs administered by PEBA
- Long-term success for South Carolina's governmental employee insurance and retirement plans

PART II – SPECIFIC INITIATIVES

I. STRATEGIC PLANNING

This Section addresses how PEBA pursues strategic planning and how PEBA will implement the strategies and goals developed during the process.

Strategic Issue: Strategic Planning: PEBA should establish a robust, ongoing strategic planning process. Ultimately, PEBA intends to apply for, and receive, the Governor's Quality Award and the national Malcolm Baldrige Award.

Goal:

1. Annually, PEBA will conduct an organized process to create and update a comprehensive strategic plan.

Broad Strategies

1. Conduct a learning phase to identify the key stakeholders in PEBA's activities and to analyze the expectations of those stakeholders for PEBA and PEBA's expectations for those stakeholders.
2. Conduct an analysis of PEBA's strengths, weaknesses, opportunities, and threats, both in the near- and long-term.
3. Develop strategic issues, goals, strategies, and action plans based upon those analyses.

4. Deploy the strategic plan through:

- Communication
- Workforce planning/education
- Performance reviews
- Detailed action plans for all key areas

The strategic plan was developed, and will be deployed, under the process set out in this section. An action plan has been developed based on the issues, goals and strategies identified in this plan with the appropriate departments of PEBA tasked with necessary action steps.

II. LEADERSHIP AND GOVERNANCE

This section addresses how PEBA's Board of Directors and executive management define PEBA's mission, purpose, future vision, and the values by which PEBA will be managed.

For the 2013 – 2014 plan, the following goals and strategies have been established:

Strategic Issue: Governance: PEBA operates in a complex statutory framework that involves multiple governmental bodies, including the PEBA Board of Directors, the General Assembly, the Budget and Control Board, and the South Carolina Retirement System Investment Commission. It is important that PEBA satisfies all of its statutory and fiduciary duties responsibilities and effectively manages its relationships with other governmental entities.

Goals

1. The fiduciary responsibilities of the Board and its committees are clearly defined and they are able to satisfy them.
2. The PEBA Board is provided with education regarding its role as a Board of Trustees, and the Board focuses on policy-level activities under their authority.
3. The PEBA Board has confidence in the administrative abilities of the PEBA staff.
4. The PEBA Board speaks with one voice through the Board or committee chairs so as to not to dilute its authority.
5. The PEBA Board anticipates and develops creative solutions to challenges faced by public employee insurance and retirement plans.
6. PEBA maintains an engaged and open relationship with the South Carolina Retirement System Investment Commission, the Budget and Control Board, and the South Carolina Executive and Legislative Branches of government.

Broad Strategies

1. Conduct regular and consistent Board training.
2. Develop fiduciary responsibility guidance and training.
3. Develop and periodically review committee by-laws and charters.
4. Refine communication process between Board, committee chairs, and PEBA staff.
5. Prioritize goals.
6. Develop the agency's governmental relations functions
7. Continue to enhance the relationship between PEBA and the RSIC to ensure that all necessary information is exchanged.

III. CUSTOMER FOCUS

This Section addresses how PEBA intends to provide the best quality service to its stakeholders. These stakeholders include participants and dependents covered by its insurance plans, members and beneficiaries of its retirement systems, and interested governmental parties, including participating governmental employers in the plans, the South Carolina General Assembly, the South Carolina Budget and Control Board, and the South Carolina Retirement System Investment Commission.

Strategic Issue A: Communication: PEBA stakeholders do not have a full understanding of the issues surrounding the provision of benefits to public employees in South Carolina.

Goals

1. Stakeholders understand the rationale behind policy decisions regarding PEBA products and services.
2. Members are educated on the nature of their benefits in order to make sound decisions regarding their benefit plans and service choices.
3. Internal staff is informed of policy decisions and understand the impact on their work.

Broad Strategies

1. Evaluate current mechanisms of communication with stakeholders.
2. Utilize various, cost-effective mechanisms of communications.
3. Begin monthly management meetings with line managers and summarize and share results with employees.

4. Notify and update staff of the availability of Board meeting minutes and summarize important issues.

Strategic Issue B: Service: PEBA strives for continuous improvement of the level of service provided to members and benefits administrators.

Goals

1. Members and benefits administrators are able to receive services through a “one-stop shop”.
2. PEBA services are rated both cost effective and of high quality.

Broad Strategies

1. Benchmark services to identify gaps.
2. Cross-train employees.
3. Have one office location.
4. Enhance communication regarding value of benefits.
5. Seek feedback from members regarding plans provided and allocation of benefits.
6. Ensure adequate competencies and continuous improvement by providing education and training of PEBA employees to stay current on trends and issues.
7. Offer flexible service and communication mechanisms

IV. PLAN MEASUREMENT AND ANALYSIS

This section addresses how PEBA measures the performance and funding of the plans and programs it administers. The Section also addresses how PEBA analyzes performance data in order to make decisions regarding future directions for the plans and programs.

Strategic Issue: Funding and Quality of the Plans: PEBA has responsibility to its stakeholders to control public employee benefit costs while providing maximum benefits. The cost to members and taxpayers is impacted by investment performance, member behavior, competitive developments in relevant labor markets, policy determinations regarding cost-allocations, and the willingness to pay of participants and taxpayers.

Goals

1. Provide the maximum competitively-necessary benefit within the available resources on the most cost-efficient basis.
2. Plans are equitable.

3. Funding mechanisms established for the plans are fiscally sound.
4. There is progress toward eliminating unfunded liability.
5. Contributions are predictable and reasonable.
6. ORP participants are retirement-ready
7. PEBA Board will be ready to assume Deferred Compensation duties on January 1, 2014

Broad Strategies

1. Conduct experience studies to set reasonable assumptions.
2. Conduct annual valuations.
3. Obtain audited financial statements.
4. Coordinate and communicate with RSIC on liquidity needs and liability requirements.
5. Pilot patient-centered medical homes (PCMH).
6. Make appropriate changes to health plan design to improve health outcomes and reduce costs, including changes designed to reduce member behaviors that negatively affect health outcomes.
7. Have appropriate contracts in place and monitor vendor and provider performance for both the insurance and retirement plans.
8. Ensure plans are in compliance with applicable federal and state rules and regulations.
9. Develop a rolling three-year plan for health insurance plans.
10. Develop an internal capability to collect and analyze health care data.
11. Ensure employer and member compliance with plan requirements.
12. Focus education for ORP participants on retirement readiness
13. Adopt best practices concerning plan ORP offerings and structure
14. PEBA Board of Directors assumes trustee role for South Carolina Deferred Compensation Program

V. WORKFORCE PLANNING

This Section addresses how PEBA intends to build a strong workforce, slot people in the right positions, train them, and keep them motivated or engaged to consistently achieve high performance.

Strategic Issue: Workforce Planning: Like many organizations, PEBA is faced with staffing challenges brought on by loss of staff due to retirement and new skills requirements due to advances in technology. PEBA has the additional challenge of integrating separate work units into one agency.

Goals

1. PEBA has the ability to recruit and maintain a stable, sufficient, and proficient workforce to carry out the strategic goals of the agency.
2. PEBA employees function as one agency.
3. Integrate EIP and Retirement staffs' functions and responsibilities as appropriate.

Broad Strategies

1. Develop a workforce plan to include succession planning and career management.
2. Initiate employee engagement activities
3. Initiate and continually update employee training related to maintaining necessary skills and improving systems and processes.
4. Create an environment that makes PEBA the "employer of choice".

VI. OPERATIONS MANAGEMENT

This Section addresses how PEBA will improve its work systems. Work systems consist of both human resources and technological elements. The human resource elements and processes have been addressed in Sections III and V above. For information technology, PEBA's plan for 2013 – 2014 is as follows:

Strategic Issue: Information Technology: The agency is currently operating two separate, aging information systems- one for the retirement system and one for the insurance program.

Goals

1. PEBA will have a new, integrated system that improves efficiency in operations and effectiveness in service delivery.
2. PEBA will, at all times, ensure that its information technology resources are deployed in the most safe and secure manner feasible.

Broad Strategies

1. Conduct IT assessment and seek ISO certification (International Organization for Standardization).
2. Educate policy makers on needs and costs of system
3. Implement assessment recommendations
4. Ensure systems support of agency's analytical needs.